

Build Back Better: Central Indiana Initiative

Concept Narrative

The Build Back Better - Central Indiana Initiative (BBBCII) is the result of long-range planning efforts driven by a consortium of industry, government, nonprofit, and other partners who are aligning transformative projects to address critical gaps in Central Indiana's food processing and manufacturing cluster, improve equitable access to and outcomes in the cluster, and accelerate growth in this key regional and state cluster of industries. For over five years, the Coalition has worked to bring opportunity to the region, and it is uniquely positioned to align several sets of complementary, multi-scale assets in ways that catalyze shared economic prosperity in Central Indiana and the state.

A Shared Vision for the Central Indiana Regional Growth Cluster

Central Indiana faces challenges as it seeks to recover from the COVID-19 pandemic. This region roughly aligns with the Indianapolis-Carmel-Anderson combined statistical area (MSA) and contains all the counties included in the MSA with the exception of Shelby County. Like other regions across the country, the region's 24-month unemployment rate nearly doubled from 2019 to 2021, increasing from 3.14% to 5.13%. More importantly, the region is one in which great inequity exists. While the region as whole mirrors national economic conditions, communities in the region struggle significantly. To illustrate, the Northwest Area of Indianapolis had a 15% unemployment rate in 2019, compared to the metro area's 4.8% rate in the same year. Similarly, its median household income was \$24,860 in 2019, less than half of that in the region, and life expectancy was 71.4 years, compared to 83.7 years just 10 miles north, across the Marion County line.

The COVID-19 pandemic has only exacerbated these issues; in fact, a recent report by the Social Assets and Vulnerabilities Indicators team revealed that the Northwest Area is one of the two highest scoring areas in Marion County in terms of the negative impact of the COVID-19 pandemic on residents and the economy. Much of this impact is driven by severe, pre-existing socioeconomic vulnerability, evidenced by the area's high poverty rate and high rates of residents who are people of color. In fact, 78% of residents in the Northwest Area are people of color, illustrating the role racial inequities have played in the economic inequities that impact this area today. Addressing this issue so that communities like the Northwest Area are able to fully and equitably participate in the region's economic recovery is a priority for the Coalition as it seeks to implement its strategy to create the conditions for shared prosperity and industry resilience.

In creating its plan for transformation, the Coalition examined quantitative and qualitative data from a variety of sources. It began by reviewing a state-of-the-field economic analysis completed in May 2021, which showed that five industry clusters in the region outperformed the general economy and grew during the height of the COVID-19 pandemic. Of these five clusters, the food processing and manufacturing cluster grew by 5%, making it second in growth only to the e-commerce cluster. While this growth is significant, more significant is the opportunity this cluster presents for equitable growth. To assess the potential of each cluster in the region to drive equitable economic growth, this study applied a six-dimension analysis that examined each cluster's pre-COVID strength, long-term growth, growth during COVID-19, job quality, job accessibility, and diversity, equity and inclusion at multiple geographic scales, including hyper-local. Using a variety of metrics including Location Quotients, job growth, average wages, ratio of jobs providing on the job training, occupations' educational requirements, and percentage of XBE firms and BIPOC workers, the study showed that the food processing and manufacturing cluster offers unique potential to produce economic growth that is inclusive, resilient to downturns, and prosperous across the region - even in places where the economy has not been prosperous historically.

In addition to this quantitative analysis, the Coalition gathered qualitative findings from industry leaders, including the Central Indiana Corporate Partnership (CICP), sector-specific entities, industry employers and educators to inform its strategy to transform the regional economy. According to these specialists, manufacturing has been losing a productivity advantage to other states since at least 2007, primarily due to a slow rate of investment in and adoption of technology on the part of companies (reducing productivity and value in the cluster) coupled with a lack of investment in worker skills in multiple regards (leading to unmet talent needs and unfilled jobs). These barriers must be addressed to drive innovation and growth.

In addition, the Coalition incorporated recommendations coming out of community engagement sessions and plans created to guide investment and growth in the region including: the 2015 Central Indiana Regional Development Plan; the Thrive Indianapolis Plan (which addresses the region's resilience to climate change); the King Commons Great Places and Near Northwest Quality of Life Plans; 16 Tech's Neighborhood Education and Workforce Plan; and the region's Comprehensive Economic Development Strategy (CEDS), supported by EDA. Investments specified in these plans have been included in the Coalition's strategy. Copies of the plans are available upon request.

Finally, the Coalition's vision for regional transformation aligns perfectly with EDA investment priorities around equity, recovery and resilience, workforce development, manufacturing, and technology-based economic development. The strategy centers on a multi-scale, cross-sector response that engages complementary partners to build upon the existing regional growth cluster in a way that aligns assets and resources to produce tangible, inclusive outcomes for people, communities, and the food processing and manufacturing cluster. In realizing this vision, the Coalition will create a functional, equitable ecosystem that will produce deep impacts in the Northwest Area and nearby neighborhoods that will be replicated and scaled across broader geographies as the Coalition works to build out urban-rural linkages. Already, Indy Chamber/Develop Indy provided a list of cluster businesses that have recently expanded or relocated to the region, contacts for these firms, and organized labor associated with each expansion/relocation project.

A Strong Coalition

As lead institution, the City of Indianapolis will leverage the Coalition's resources, capacities, and assets to drive progress and will contract a Regional Economic Competitiveness Officer to fulfill duties outlined on page 18 of the NOFO; the City is committed to contracting this position prior to March 1, 2022 if granted an award. The City will also facilitate ongoing coordination between the Coalition and the MPO on regional economic development strategy and between the Coalition and Develop Indy to align articulated strategies for inclusive growth (e.g., workforce development, supply chain investments and diversification) with major industry developments. Finally, the City is committed to contributing its support through the Department of Public Works to infrastructure improvements. Other Coalition partners include:

- Flanner House: A social services agency and community center that has been operating in the Northwest Area of Indianapolis for the past 123 years. Flanner's mission is "to support, advocate for and empower individuals, children and families by applying educational, social and economic resources to move members of the community towards stabilization and self-sufficiency," and its services address needs for education, employment, wellness, peace and safety, economic development, and food justice in the Northwest Area community.
- 16 Tech Innovation District: A signature development project informed by 21st Century principles of inclusive economic development centered on collaborations between advanced industries, university partners, and diverse stakeholders to accelerate Central Indiana's innovation economy. 16 Tech Community Corporation (16 TCC) was formed to organize development of the 50-acre, 16 Tech Innovation District into a globally-competitive community for scientific research, technology

innovation, entrepreneurial activity, and talent attraction focused on bioscience, technology, and advanced manufacturing/engineering sectors.

- Indiana University Health (IU Health): Indiana's largest and most comprehensive health system, committed to improving the health of the communities it serves through investments designed to address the social determinants of health, which include economic stability, social and community context, education, neighborhood and environment, and healthcare.
- Marian University: As a Catholic university, Marian welcomes students of all faiths who seek an educational experience framed within the context of its Franciscan values of dignity of the individual, peace and justice, reconciliation, and responsible stewardship. Marian's vision is to provide an education distinguished in its ability to prepare transformative leaders for service in the world, and it has been a partner of Flanner and its student/resident population for many years.
- Local Initiatives Support Corporation (LISC): The nation's leading community development organization, founded in 1979 by the Ford Foundation and working in Indianapolis neighborhoods for over 30 years. As government, foundations, and for-profit companies have the capital, and residents and local institutions have the need, LISC bridges the gap by offering relationships and expertise to help community organizations attract the kinds of resources they need. LISC Indianapolis has been a long-standing partner to Flanner and other communities engaged here.

Together, the Coalition has the expertise, capacity, and effectiveness to plan and implement sophisticated economic development projects. The projects here have blended and braided funding sources such as private lending, tax increment financing, New Market Tax credits, state and federal grants, and philanthropic awards. In recent years, the Coalition has collectively invested over \$100 million in economic development efforts in Central Indiana. During this time, Coalition members have collectively administered federal funds from multiple federal agencies, including the U.S. Departments of Housing and Urban Development (HUD), Health and Human Services (HHS), and others, without any incidents or audit findings. All Coalition partners are committed to expanding the Coalition and its partnerships to foster the long-term collaboration and alignment required to achieve their vision. For specific information, please see the attached letters of support provided by the Coalition members and their key partners, which document these commitments.

Seven Projects to Drive Regional Competitiveness

The BBBCII will implement seven projects in the Central Indiana region:

- The Carrier-Bryant Redevelopment project will grow food processing and manufacturing in the region by redeveloping a brownfield site as a food aggregation and processing facility in partnership with Majora Carter Group, a developer, and Revolution Foods, an industry employer that produces healthy packaged meals for institutional buyers. A co-packing facility for the manufacture of value-added food products and a commercial kitchen will be included, meeting a long-term need among small businesses that wish to scale production. The site will also house CNTNR, an advanced manufacturer that repurposes shipping containers into modular spaces for housing, medical, and agricultural uses. With support from LISC, HUD, the State of Indiana, and others, this project will leverage tax increment financing and federal and state funding. The project is also included in the City of Indianapolis' New Market Tax Credits pipeline. In this and all other construction projects, the Coalition will ensure strong labor standards are utilized, project labor agreements are reached, wages are at or above prevailing rates, and local hiring provisions and/or community benefit agreements are established.
- The Food Access Ecosystem will grow food processing and manufacturing in the region by developing a facility that utilizes cutting-edge agricultural technology to produce large quantities of food on a small footprint. The food produced and processed for distribution will be made available to the region's food pantries, hospitals, and public schools. The site will include a food pharmacy and an on-site culinary

education program, and IU Health will leverage its purchasing power as an anchor institution to support the Ecosystem as it recruits other anchors, corporate partners, and stakeholders to follow suit.

- The Coalition is responding to four critical gaps in Talent Development for the food processing and manufacturing cluster (lack of digital literacy, lack of foundational spatial and mechanical skills, lack of advanced technology/misaligned technical skills, and weak “future of work” competencies) through a set of sophisticated, aligned talent development investments: activation of an Industry 4.0 Learning Lab Network and a Citizen Science Center where exposure to advanced technologies and hands-on learning is accessible to literally any learner; inclusive engagement at 16 Tech’s makerspace (Machyne); accessible, advanced manufacturing training (Catapult Indiana); implementation of Cummins’ Technical Education for Communities; on-the-job training at Revolution Foods and CNTNR; experiential learning with employer partners through Marian University’s 2-year college (St. Joseph’s College); practice in the future of work/human arts through Marian University; and workforce training, upskilling, coaching, and supports through IU Health’s Mosaic Center and its community partners.
- The Coalition is responding to three documented regional Supply Chain gaps for the cluster (slow technology adoption by firms that keeps productivity and wages low, lack of technical supports to incubate firms and improve XBE participation in the cluster, and insufficient access to resources to scale businesses and grow jobs in the cluster) with the activation of: the Industry 4.0 Learning Lab Network where firms can access and learn to use advanced technologies; leverage of Conexus’ Manufacturing Readiness Grants infrastructure to bring capital and technical assistance to small and XBE firms; organization of a cluster-focused, entrepreneurial ecosystem that includes an Urban Business Resource Center and a Small Business Accelerator program; scaled food processing via Revolution Foods (culinary-focused) and the Food Access Ecosystem (food-as-medicine-focused).
- To improve residents’ access to jobs and employers’ access to workers, the Coalition will build an employer-led Alliance for Regional Transit that will respond to needs identified in the CEDS planning process and advocacy for the expansion, enhancement, and improvement of transit options in the region. In collaboration with the MPO, Develop Indy, EmployIndy, Ascend Indiana, and the Central Indiana Regional Transportation Authority, the Alliance will lend a cogent voice to transit conversations.
- To spur private investment and development, the Coalition will implement infrastructure improvements. According to Brookings Metropolitan Policy Program staff, cluster initiatives need to be “anchored by a physical center” in order to maximize their success. Central Indiana’s regional cluster has a natural center of gravity at the convergence of 16 Tech Innovation District and the Northwest Area; however, the 16th Street boundary between the Innovation District and the adjacent community is a significant barrier. To address this connectivity issue, the Coalition will implement existing recommendations for needed improvements which include multimodal transportation enhancements and wayfinding.
- The Coalition will capitalize a Revolving Loan Fund, currently seeded by Citizens Energy and managed by LISC to support business development particularly among minority business owners. This fund will play a significant role in incubating and expanding small- and medium-sized businesses in the region by overcoming the barrier that inequitable access to capital poses. The Coalition anticipates an initial total investment of \$7 million in the Revolving Loan Fund, \$5.5 million from EDA funds, and \$1.5 million of which is already committed. The Coalition will continue to leverage its robust philanthropic and other relationships to build support and resources around the BBBCII and ensure its long-term sustainability.

To measure outcomes, the Coalition will rely on several quantitative and qualitative collective impacts metrics. Among these are the number of: new jobs created, historically disadvantaged workers placed in jobs, small businesses launched, dollars invested in technology, private investment dollars raised, public dollars leveraged, and private developments spurred. In addition, the Coalition will measure its impact in the Northwest Area by tracking the area’s unemployment rate, median household income, and local private

investment; the Coalition will track these same metrics for additional communities in which the multi-scale strategy is extended. The Coalition will also examine the performance of the cluster itself by studying the cluster's long-term growth, job quality, job accessibility, and diversity, equity and inclusion. Finally, the Coalition will measure the number of additional Coalition members and projects implemented as a result of the Coalition's activities. To further support evaluation and development, the Coalition will rely on resident and stakeholder engagement and will create a public dashboard to share impacts and be accountable. To ensure equitable outcomes, the Coalition will disaggregate data by gender, race, household income, education, and related metrics. Data will be collected and reviewed annually, and the Coalition will use this review period to make strategic choices about ongoing activities and investments for the coming year. A copy of the Coalition's current evaluation plan, dashboard, and potential metrics is available upon request.

The Readiness to Implement and the Capacity to Succeed

The Coalition's work to align and mobilize partners, secure resources, and develop a transformative vision and solid plan has positioned it well for implementation. As previously described, the Coalition has collectively invested over \$100 million in programs, projects, and developments aligned with the BBBCII. Matching funds for Phase II have been identified and will be fully committed prior to the March 15, 2022 deadline for Phase II applications. These funds include a combination of local, state, federal, and private/philanthropic funding and are sufficient to provide 20% of the cost of each proposed project.

A SWOT analysis conducted to inform planning efforts defined several barriers to implementation the Coalition may face: 1) The COVID pandemic continues to contribute to uncertainty and resource shortages; 2) staffing and partner organization capacity may change over time; 3) funding availability may change over time; and 4) the long-term nature of the return on investment for initiatives like the BBBCII can make it difficult to maintain support. To mitigate these barriers, the Coalition has: 1) developed COVID contingency plans; 2) prepared to recruit partners and adjust plans as needed; 3) engaged the support of expert fund development staff to draft a sustainability plan and more fully develop it in Phase I; and 4) developed operational and planning milestones that allow leaders and investors to witness regular progress.

The Phase I timeline is attached to the Budget Narrative. The Coalition has also developed a comprehensive timeline for Phase II that is available upon request. In summary, the Carrier-Bryant redevelopment, Food Access Ecosystem, Industry 4.0 Learning Lab Network and Citizen Science Center will be built in Year Two, and the Coalition will hire two full-time positions to support ongoing buildout of its work. Infrastructure improvements will begin as well, and the Coalition will launch the Regional Transit Alliance and the Revolving Loan Fund as it identifies additional communities for replication of its strategy beyond the epicenter of the region. In Year Three, all projects will be fully operational, and the Coalition will expand to three more regional communities. In Year Four, the Coalition will diversify funding and expand its portfolio of investors while scaling the cluster with new sources of flexible, patient growth capital. The Coalition will also refine and expand its strategy in at least five regional communities as infrastructure improvements are completed. In Year Five, the Coalition will continue scaling and expanding the BBBCII.

For several years, the Coalition has worked with residents and a broad consortium of stakeholders to create a vision to transform Central Indiana's regional economy. This Coalition is strong, organized, and uniquely prepared to align investments, implement projects, and ensure that the food processing and manufacturing cluster becomes an engine that drives shared economic prosperity across the region. Together, Coalition partners are ready to invest the time, effort, and resources to improve economic outcomes for the industry, the individuals involved in it, and the communities it impacts. As a result, the Central Indiana region anticipates a stronger and more resilient future.